

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application No. : 10/687,223
Appellants: : Peter J. Kachler, et al.
Filed: : October 15, 2003
TC/A.U. : 2931
Examiner: : Amber L. Altschul
Title : BENEFIT MANAGEMENT

APPELLANT'S REPLY BRIEF
TO EXAMINER'S ANSWER

MS APPEAL BRIEF-PATENTS

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir or Madame:

This Reply Brief, in compliance with 37 C.F.R. § 41.41, is in response to the Examiner's Answer dated December 9, 2008, and in furtherance of the Notice of Appeal filed under 37 C.F.R. § 41.31 on September 8, 2008.

In the Examiner's Answer, the Examiner provides a response to the arguments presented in the Appeal Brief filed September 22, 2008. The Examiner's Grounds for Rejection are substantially the same as those presented in the Final Office Action dated July 18, 2008. Appellant has addressed these rejections in the Appeal Brief. The Examiner's Answer includes a new ground for rejection of the claims as previously recited that is apparently based upon U.S. Supreme Court decisions used to support the *In re Bernard L. Bilski* decision by the Court of Appeals of the Federal Circuit (CAFC). (Fed. Cir. No. 2007-1130). Appellant respectfully traverses the assertions and conclusions provided in the Examiner's Answer. The following is the Appellant's Reply Brief, which supplements, but does not replace, Appellant's Appeal Brief.

This brief contains items under the following headings as set forth in MPEP § 1208, part I. (Reply Brief):

- I. Status of Claims
- II. Grounds of Rejection to be Reviewed on Appeal
- III. Argument

The final page of this brief bears the attorney's signature.

I. STATUS OF CLAIMS

A. Total Claims: 1-34

B. Current Status of Claims:

1. Claims canceled: 13-18 and 26-34

2. Claims withdrawn from consideration but not canceled: none

3. Claims pending: 1-12 and 19-25

4. Claims allowed: none

5. Claims rejected: 1-12 and 19-25

6. Claims objected to: none

C. Claims on Appeal: 1-12 and 19-25

II. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether or not claims 1-12 and 19-25 are unpatentable under 35 USC § 101 for allegedly being process claims and/or not being tied to another statutory class.

B. Whether or not claims 1-12 and 19-25 are unpatentable under 35 USC § 103(a) over Lencki, et al. (U.S. Publ. No. 2002/0049617)(System and Method for Facilitating Selection of Benefits) in view of Deavers, et al. (U.S. Patent No. 6,044,352)(Method and System for Processing and Recording the Transactions in a Medical Savings Fund Account).

III. ARGUMENT

A. Arguments against the rejections under 35 USC § 101 for allegedly being process claims and/or not being tied to another statutory class.

1. Arguments regarding independent claims 1 and 19, as well as those claims that depend therefrom.

a. **For independent claims 1 and 19, as well as those claims that depend therefrom, the grounds for rejection do not apply to the claims as presently recited.**

With regard to independent claim 1, Appellant respectfully submits that the recitation, as previously presented, is not a method or process claim, contrary to the assertion by the Examiner in section 1 of the Examiner's Answer dated December 9, 2008. However, even if independent claim 1 were to be interpreted as being equivalent to such, Appellant respectfully submits that the "system for benefits management" is "tied to another statutory class (such as a particular apparatus)", contrary to the assertion by the Examiner.

That is, Appellant respectfully notes that the independent claim 1, as previously presented, recites elements that include "a server", "an application interface", "a data store", "business rule instructions executed by a processor", "fund use rule instructions executed by a processor", "a program operable on the server", and "wherein the instructions are executed by the processor". Appellant respectfully submits that inclusion of any of the just-recited elements would tie an associated method or process claim to another statutory class, in this case a

computing apparatus, as appreciated by one of ordinary skill in the relevant art. For example, a server is defined as: “A computer that manages centralized data storage or network communications resources. A server provides and organizes access to these resources for other computers linked to it.” (The American Heritage® Dictionary, ©2005 by Houghton Mifflin Company).

In addition, Appellant respectfully notes that the preamble of independent claim 19, as previously presented, recites, “A computer readable medium including a program having instructions executable by a processor to perform a method”. Appellant respectfully submits that such a Beauregard claim construction ties an associated method or process claim to another statutory class, in this case a tangible “computer readable medium” (e.g., a memory device) “having instructions executable by a processor” where the processor is associated with a computing apparatus, as appreciated by one of ordinary skill in the relevant art.

In light of the *In re Bernard L. Bilski* decision by the CAFC, Appellant has cancelled independent claim 26, as well as those claims that depend therefrom. Appellant has cancelled such claims per MPEP § 1206 in order to place the claims of the present Appeal Brief in proper condition for consideration by the Board of Patent Appeals and Interferences. That is, because no claims have been amended and “such cancellation does not affect the scope of any other pending claim in the proceeding”, Appellant respectfully submits that prosecution should not be reopened based thereon.

As such, Appellant respectfully submits that independent claims 1 and 19, as previously presented, are in condition for allowance per 35 USC § 101 and

applicable Supreme Court and CAFC decisions. Accordingly, Appellant respectfully requests reconsideration and withdrawal of the § 101 rejection of independent claims 1 and 19, as previously presented, as well as those claims that depend therefrom.

B. Arguments against the rejections under § 103(a) over the Lencki '617 reference in view of the Deavers '352 reference.

I. Arguments regarding independent claims 1 and 19.

a. **For independent claims 1 and 19, the cited references do not teach, suggest, or render obvious each and every element.**

In response to the Office Action mailed on January 25, 2008, Appellant submitted a proposed listing of claims for consideration by the Examiner in overcoming the § 102(b) rejection of all claims as being allegedly anticipated by the Lencki '617 reference. The submission was made for consideration of proposed amendments by the Examiner prior to an interview scheduled for April 15, 2008. The proposed amendments substantive to the present appeal were to independent claims 1, 19, and 26. These independent claims are recited below, in particular the elements applicable to overcoming the § 102(b) rejection, which were discussed with the Examiner during the interview on April 15, 2008.

Appellant's independent claim 1, as proposed, recited:

a server including an application interface and access to a data store having one or more client files, wherein a client file includes a definable set of business rule instructions executed by a processor to manage and administer benefits and includes fund use

rule instructions executed by a processor to access and apply funds to payment of claims from a plurality of accounts; and

a program operable on the server to apply the definable set of business rules, wherein the instructions are executed by the processor to allow a plan sponsor to define a first defined set of the fund use rules **and** a plan member to define a second defined set of the fund use rules in order to define payment of at least a portion of a claim **from** between at least **two different employee benefit accounts**, dependent upon authority being granted by the plan sponsor.

Appellant's independent claim 19, as proposed, recited in part:

defining a number of member rules to be applied in conjunction with the number of plan sponsor rules, wherein the instructions are executed by the processor to allow a plan sponsor to define the number of plan sponsor rules **and** a plan member to define the number of member rules in order to define payment of at least a portion of a claim **from** between at least **two different employee benefit accounts**.

In addition, Appellant's independent claim 26, as proposed, recited in part:

allowing a plan sponsor to define a first defined set of fund use rules **and** a plan member to define a second defined set of fund use rules in order to define payment of at least a portion of a claim **from** between at least **two different employee benefit accounts**, dependent upon authority being granted by the plan sponsor.

Independent claim 26 has subsequently been canceled, as well as those claims that depend therefrom, for the reasons presented in section A of the Arguments of the present Reply Brief.

During the interview, Appellant respectfully submitted to the Examiner that the Lencki '617 reference appears to describe a "System and Method for Facilitating Selection of Benefits". (Title). Appellant also respectfully submitted, as a specific example, that the Lencki '617 reference does not teach, "wherein the instructions are executed by the processor . . . in order to define payment of at least a portion of a claim from between at least two different employee benefit accounts", as recited in the second element of Appellant's independent claim 1, as proposed. Appellant additionally submitted, as a specific example, that the Lencki '617 reference does not teach, "instructions executed by a processor to access and apply funds to payment of claims from a plurality of accounts", as recited in the first element of independent claim 1, as proposed.

During the interview, Appellant and the Examiner endeavored to determine whether the proposed amendments were sufficient to overcome the § 102(b) rejection of, in particular, independent claims 1, 19, and 26. There appeared to be a meeting of the minds that the material added to independent claims 1, 19, and 26 is not taught by the Lencki '617 reference. Accordingly, Appellant amended a number of claims in a formal response to the Office Action submitted on April 17, 2008, including amendments to independent claims 1, 19, and 26 consistent with the proposed amendments that were submitted to, considered by, and discussed with the Examiner.

Appellant further notes that neither the Lencki '617 reference nor the Deavers '352 reference, as discussed below, teach, suggest, or render obvious, "to allow a plan sponsor to define a first defined set of the fund use rules **and** a plan member to define a second defined set of the fund use rules" as applied to defining "payment of at least a portion of a claim **from** between at least **two different employee benefit accounts**", as recited in the second element of Appellant's independent claim 1, as proposed. That is, neither reference, individually or in combination, teaches, suggests, or renders obvious fund use rules that allow a plan sponsor to define payment of at least a portion of a claim **from** between at least **two different employee benefit accounts** and that allow a plan member to define payment of at least a portion of a claim **from** between at least **two different employee benefit accounts**, dependent upon authority being granted by the plan sponsor.

After a Final Office Action was mailed July 18, 2008, the Examiner was gracious enough to grant another interview on July 25, 2008. The Examiner mailed an Interview Summary on August 8, 2008, that summarized the Substance of Interview as:

Claim rejections will be reconsidered in light of formally written amendments to the claims. Applicant's request for reconsideration of the finality of the rejection of the last Office action is persuasive and, therefore, the finality of that action is withdrawn.

A subsequent Final Office Action was mailed on September 3, 2008, in which the Examiner rejected all claims of the present application, including

independent claims 1, 19, and 26, as previously amended, by combining the Deavers '352 reference with the Lencki '617 reference as bases for a § 103(a) rejection. In section 5 of the FOA, the Examiner acknowledged that "Lencki does not explicitly teach payments from a plurality of accounts." Hence, Appellant respectfully submits that the Lencki '617 reference does not teach, suggest, or render obvious each and every element and limitation, in particular, of independent claims 1, 19, and 26, as previously presented.

That is, Appellant respectfully submits that the Lencki '617 reference does not teach, suggest, or render obvious:

a program operable on the server to apply the definable set of business rules, wherein the instructions are executed by the processor to allow a plan sponsor to define a first defined set of the fund use rules and a plan member to define a second defined set of the fund use rules in order to define payment of at least a portion of a claim from between at least two different employee benefit accounts,

dependent upon authority being granted by the plan sponsor. as recited in independent claim 1, as previously presented. Nor does the Lencki '617 reference teach, suggest, or render obvious:

defining a number of member rules to be applied in conjunction with the number of plan sponsor rules, wherein the instructions are executed by the processor to allow a plan sponsor to define the number of plan sponsor rules and a plan member to define the number of member rules in order to define payment of at least a

portion of a claim **from** between at least **two different employee benefit accounts**.

as recited in independent claim 19, as previously presented. Additionally, the Lencki '617 reference does not teach, suggest, or render obvious:

allowing a plan sponsor to define a first defined set of fund use rules **and** a plan member to define a second defined set of fund use rules in order to define payment of at least a portion of a claim **from** between at least **two different employee benefit accounts**,
dependent upon authority being granted by the plan sponsor.

as recited in independent claim 26, as previously presented.

The Examiner, however, went on to state in section 5 of the September 3, 2008, FOA that "Deavers suggests payments from a plurality of accounts, (See Deavers abstract, column 1, lines 12-36, column 4, lines 40-58)." Based upon thorough examination of the cited portions of the reference, Appellant respectfully submits that the Deavers '352 reference does not teach, suggest, or render obvious using plan sponsor **and** plan member rules "in order to define payment of at least a portion of a claim **from** between at least **two different employee benefit accounts**", as recited in Appellant's independent claims 1, 19, and 26, as previously presented.

In fact, Appellant respectfully submits that the Deavers '352 reference in a number of locations teaches away from using plan sponsor **and** plan member rules "in order to define payment of at least a portion of a claim **from** between at least **two different employee benefit accounts**". as recited in Appellant's independent claims 1, 19, and 26, as previously presented. The Deavers '352 reference appears

to teach setting funds aside for “payment of future medical expenses” or “to pay for a health insurance policy with a high deductible and the remainder to pay medical expenses” and “to retain the balance, if any, for future use or savings” in an interest bearing account. (Col. 1, lines 11-36).

The funds appear to be invested in a “Medical Savings Fund Account” (MSFA) where “Each participant has the option to select the type of money market mutual fund as the investment vehicle – taxable or tax-free – that fits within the financial needs of the participant.” (Col. 3, lines 51-54). Such investments appear to be governed “Under various state tax rules and regulations currently in effect and proposed Federal legislation (1995) [where] there are and could be limitations placed upon the dollar amounts of investments or deposits”. (Col. 4, lines 43-46).

As such, the Deavers ‘352 reference appears to teach that, when investments or deposits are received in excess of the limitations described above, “the monies might be split to permit the maximum permissible to be included in the MSFA with excess placed in a separate account.” (Col. 4, lines 59-62). Deavers ‘352 appears to further teach in column 10, lines 29-35, that:

the system of the invention would identify the regulatory or tax advantage and segregate the moneys put into a first mutual fund account, which would contain the maximum permitted by regulation or law and a second mutual fund account from which moneys would be transferred as the amount in the first account would fall below the maximum permitted by regulation or law.

Appellant respectfully submits that the Deavers '352 reference teaches "processing and recording the transactions in a medical savings fund account" (see Title) whereby a single MSFA is used for payment of future medical expenses or to pay for a health insurance policy with a high deductible and the remainder to pay medical expenses. To enable such an interest bearing MSFA to comply with applicable state and/or federal limitations, in the event that investments or deposits to the MSFA (i.e., the first mutual fund account) are received in excess of the applicable state and/or federal limitations, Deavers '352 appears to teach that the monies are split to permit the maximum permissible to be included in the single MSFA with the excess placed in a separate account (i.e., the second mutual fund account).

That is, Deavers '352 appears to teach segregating the moneys put into the single MSFA first mutual fund account and the second mutual fund account in order to transfer moneys from the second mutual fund account into the single MSFA as the amount in the single MSFA falls below the maximum permitted by regulation or law. Moneys invested in the single MSFA appear to fall below the maximum as a result of payment from the single MSFA of future medical expenses or payment of the health insurance policy with a high deductible and possible payment of the remainder for medical expenses.

As presented above, Appellant respectfully submits that the Deavers '352 reference teaches payment of future medical expenses or payment of the health insurance policy with a high deductible and possible payment of the remainder for medical expenses from the single MSFA. Hence, Appellant respectfully submits

that Deavers '352 teaches away from using plan sponsor **and** plan member rules "in order to define payment of at least a portion of a claim **from between at least two different employee benefit accounts**", as recited in Appellant's independent claims 1, 19, and 26, as previously presented.

In the Response to Argument section of the Examiner's Answer dated December 9, 2008, the Examiner stated, "It would have been obvious to one of ordinary skill in the art to include in the claim processing system of Lencki the ability to pay for medical expenses from a secondary account as taught by Deavers." Appellant respectfully submits that, as presented above, the Examiner acknowledged in section 5 of the FOA that "Lencki does not explicitly teach payments from a plurality of accounts." As further presented above, the Deavers '352 reference teaches payment of future medical expenses or payment of the health insurance policy with a high deductible and possible payment of the remainder for medical expenses from a single MSFA. Hence, Appellant respectfully submits that Deavers '352 teaches away from using plan sponsor **and** plan member rules "in order to define payment of at least a portion of a claim **from between at least two different employee benefit accounts**", as recited in Appellant's independent claims 1, 19, and 26, as previously presented.

As such, Appellant respectfully submits that the deficiencies of the Lencki '617 reference with regard to independent claims 1 and 19, as acknowledged by the Examiner in section 5 of the September 3, 2008, FOA, are not cured by the Deavers '352 reference. Accordingly, Appellant respectfully requests reconsideration and withdrawal of the § 103(a) rejection of independent claims 1 and 19, as previously

presented, as well as those claims that depend therefrom. Independent claim 26 has been canceled, as well as those claims that depend therefrom, for the reasons presented in section A of the Arguments of the present Reply Brief.

The Examiner is invited to telephone Appellant's attorney Edward J. Brooks III at (612) 236-0120 to facilitate this appeal.

CERTIFICATE UNDER 37 C.F.R. §1.8: The undersigned hereby certifies that this correspondence is being electronically filed with the United States Patent and Trademark Office on this 22nd day of January, 2009.

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1/22/2009
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